



General Assembly

Substitute Bill No. 413

February Session, 2008

* _____SB00413HS_APP031408_____*

**AN ACT ESTABLISHING A COMMUNITY PROVIDER RESCUE FUND
ACCOUNT AND COMMUNITY-BASED SERVICES COMMISSION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2008*) There is established an
2 account to be known as the "community provider rescue fund" which
3 shall be a separate, nonlapsing account within the General Fund. The
4 State Treasurer shall administer the account. The Secretary of the
5 Office of Policy and Management shall make funds available in the
6 account to other state agencies, including the Department of
7 Developmental Services, the Department of Children and Families, the
8 Department of Mental Health and Addiction Services, the Judicial
9 Department, the Department of Social Services, the Department of
10 Correction, the Department of Public Health and the Children's Trust
11 Fund, for grants to community providers under purchase of service
12 contracts. Such grants may be used to: (1) Provide an immediate
13 remedy to budget shortfalls for community providers under purchase
14 of service contracts; (2) establish a stable funding system for such
15 community providers; and (3) establish a consistent cost-of-service
16 adjustment to avoid budget shortfalls in the future. The secretary may
17 receive private donations to said account and any such donation shall
18 be deposited in the account. As used in this section, "purchase of
19 service contract" means a contract between a state agency and a private
20 provider organization for the purchase of ongoing direct health and

21 human services for agency clients.

22 Sec. 2. (NEW) (*Effective from passage*) (a) There is established a
23 commission on community-based services. The commission shall
24 consist of (1) the Secretary of the Office of Policy and Management or
25 the secretary's designee; the Commissioners of Developmental
26 Services, Mental Health and Addiction Services, Children and
27 Families, Social Services, Higher Education, Labor, Economic and
28 Community Development or the commissioners' designees; (2) the
29 cochairpersons of each of the joint standing committees of the General
30 Assembly having cognizance of matters relating to appropriations,
31 finance, human services, public health, government administration
32 and elections, and labor, or the cochairpersons' designees; (3) two
33 members appointed by the Governor, one of whom is a provider of
34 social services for children or adults with disabilities, and one of whom
35 is a parent of a child or adult with disabilities; (4) one member
36 appointed by the speaker of the House of Representatives who has
37 knowledge in the area of social services for individuals with
38 disabilities; (5) one member appointed by the president pro tempore of
39 the Senate who has knowledge of the labor market; (6) one member
40 appointed by the majority leader of the House of Representatives who
41 has knowledge of economics; (7) one member appointed by the
42 majority leader of the Senate who has knowledge of Medicaid policy;
43 (8) one member appointed by the minority leader of the House of
44 Representatives who has knowledge of bonding; (9) one member
45 appointed by the minority leader of the Senate who has knowledge of
46 purchase of service agreements or education; (10) two members
47 appointed by the chief executive officer of the Connecticut Community
48 Providers Association; (11) two members appointed by the executive
49 director of the Connecticut Association of Nonprofits; and (12) two
50 members appointed by the executive director of The Arc of
51 Connecticut.

52 (b) All appointments to the commission shall be made no later than
53 June 1, 2008. Any vacancy shall be filled by the appointing authority.

54 The speaker of the House of Representatives and the president pro
55 tempore of the Senate shall select the chairpersons of the commission
56 from among the members of the commission. Such chairpersons shall
57 schedule the first meeting of the commission, which shall be held no
58 later than July 1, 2008. The commission may, within available
59 appropriations, contract consultants with expertise in the areas of
60 economics, the labor market, higher education or accounting to assist
61 in carrying out its duties. The commission may receive funds from any
62 public or private sources to carry out its activities.

63 (c) (1) The purpose of the commission shall be to study and make
64 recommendations pursuant to subsection (d) of this section concerning
65 a long-term funding solution for community providers under purchase
66 of service contracts. The commission shall make recommendations
67 concerning: (A) The development of a state-wide strategic plan for the
68 funding of services under purchase of service contracts that includes (i)
69 consistent funding for the provision of such services; (ii) cost-of-living
70 and other fiscal adjustments in payments to community providers of
71 such services using an indexing option such as the consumer price
72 index, the medical consumer price index, the home health market
73 basket administered by the federal Centers for Medicare and Medicaid
74 Services, or any other indexing option used in this state or other states;
75 (B) a budget to implement the indexing option pursuant to
76 subparagraph (A) of this subdivision; and (C) a budget and plan for
77 stabilizing the service delivery system until indexed payments are
78 allocated.

79 (2) The commission shall conduct studies, research and analyses and
80 make reports and recommendations pursuant to subsection (d) of this
81 section to address the problem of the funding of services provided by
82 community providers under purchase of service contracts. Such
83 research shall include (A) an analysis of the comparative cost of
84 providing such services in the private and public sectors, including an
85 analysis of the wages and benefits of private sector, public sector and
86 private sector unionized employees in the human services field; (B) the

87 impact of standard wage legislation in the state; (C) a comparison of
88 the compounded Medical Consumer Price Index to the cost-of-living
89 allocations made to providers of services over a twenty-year period;
90 (D) an analysis of the percentage increase in the cost of health
91 insurance, workers' compensation insurance, property casualty
92 insurance and energy costs since 2000, and a projection of the
93 percentage increase of such costs to 2013; (E) projected labor market
94 trends to 2013; (F) a calculation of the projected savings that could be
95 generated by serving individuals in communities rather than in
96 institutions; (G) a review of financial mechanisms for establishing an
97 ongoing source of revenue such as a dedicated fund; and (H) any other
98 study, research and analysis the commission deems necessary to
99 accomplish the purpose of the commission. As used in this subsection,
100 "purchase of service contract" means a contract between a state agency
101 and a private provider organization for the purchase of ongoing direct
102 health and human services for agency clients.

103 (d) Not later than October 1, 2008, the commission shall submit a
104 report on proposed budget recommendations and policy and statutory
105 changes to the Governor and to the General Assembly, in accordance
106 with the provisions of section 11-4a of the general statutes.

107 Sec. 3. (*Effective July 1, 2008*) (a) For the purposes described in
108 subsection (b) of this section, the State Bond Commission shall have
109 the power, from time to time, to authorize the issuance of bonds of the
110 state in one or more series and in principal amounts not exceeding in
111 the aggregate sixty five million dollars. All provisions of section 3-20 of
112 the general statutes, or the exercise of any right or power granted
113 thereby, which are not inconsistent with the provisions of this section
114 are hereby adopted and shall apply to all bonds authorized by the
115 State Bond Commission pursuant to this section, and temporary notes
116 in anticipation of the money to be derived from the sale of any such
117 bonds so authorized may be issued in accordance with said section 3-
118 20 and from time to time renewed. Such bonds shall mature at such
119 time or times not exceeding twenty years from their respective dates as

120 may be provided in or pursuant to the resolution or resolutions of the
121 State Bond Commission authorizing such bonds. None of said bonds
122 shall be authorized except upon a finding by the State Bond
123 Commission that there has been filed with it a request for such
124 authorization which is signed by or on behalf of the Secretary of the
125 Office of Policy and Management and states such terms and conditions
126 as said commission, in its discretion, may require. Said bonds issued
127 pursuant to this section shall be general obligations of the state and the
128 full faith and credit of the state of Connecticut are pledged for the
129 payment of the principal of and interest on said bonds as the same
130 become due, and accordingly and as part of the contract of the state
131 with the holders of said bonds, appropriation of all amounts necessary
132 for punctual payment of such principal and interest is hereby made,
133 and the State Treasurer shall pay such principal and interest as the
134 same become due.

135 (b) The proceeds of the sale of said bonds, to the extent hereinafter
136 stated, shall be used, subject to the provisions of subsection (c) of this
137 section, for capital improvement projects for community providers
138 under purchase of service contracts as hereinafter stated: (1) For the
139 Department of Developmental Services for grants-in-aid, not
140 exceeding twenty-nine million two hundred fifteen thousand eight
141 hundred twenty-nine dollars; (2) for the Department of Children and
142 Families for grants-in-aid, not exceeding thirteen million nine hundred
143 twelve thousand nine hundred thirty-eight dollars; (3) for the
144 Department of Mental Health and Addiction Services for grants-in-aid,
145 not exceeding nine million five hundred fifty-three thousand three
146 hundred five dollars; (4) for the Judicial Department for grants-in-aid,
147 not exceeding four million fifty-eight thousand five hundred ninety-
148 two dollars; (5) for the Department of Social Services for grants-in-aid,
149 not exceeding four million four hundred fifteen thousand seven
150 hundred ninety-four dollars; (6) for the Department of Correction for
151 grants-in-aid, not exceeding one million six hundred eighty thousand
152 eight hundred eighty-six dollars; (7) for the Department of Public
153 Health for grants-in-aid, not exceeding one million four hundred

154 eighty-five thousand nine hundred ninety-five dollars; and (8) for the
155 Children's Trust Fund, not exceeding six hundred seventy-six
156 thousand six hundred sixty dollars.

157 (c) Grants-in-aid authorized under subsection (b) shall be made
158 available to community providers through a request for proposal
159 process by each department for improvements or expansion of
160 treatment and service facilities, administrative office locations, fire and
161 code compliance and upgrades, physical plant maintenance and
162 upgrades, energy and conservation upgrades, replacement of heating
163 and cooling systems, generators, communication systems, billing
164 software, accounting software, quality assurance software, medical
165 records, HIPAA compliance, hardware systems and other technology
166 improvements. Any grant-in-aid shall be in an amount not in excess of
167 the cost of the project for which the grant is made. As used in this
168 section "purchase of service contract" means a contract between a state
169 agency and a private provider organization for the purchase of
170 ongoing direct health and human services for agency.

171 Sec. 4. (*Effective July 1, 2008*) (a) The sum of one hundred thirty-five
172 million dollars is appropriated to the Office of Policy and
173 Management, from the General Fund, for the fiscal year ending June
174 30, 2009, for deposit in the Community Provider Rescue Fund account
175 established pursuant to section 1 of this act.

176 (b) For the fiscal year ending June 30, 2009: (1) Sixty million six
177 hundred seventy-nine thousand thirty dollars of the sum appropriated
178 pursuant to subsection (a) of this section shall be allocated to the
179 Department of Developmental Services; (2) twenty-eight million eight
180 hundred ninety-six thousand one hundred three dollars of the sum
181 appropriated pursuant to said subsection (a) shall be allocated to the
182 Department of Children and Families; (3) nineteen million eight
183 hundred forty-one thousand four hundred eighty dollars of the sum
184 appropriated pursuant to subsection (a) shall be allocated to the
185 Department of Mental Health and Addiction Services; (4) eight million
186 four hundred twenty-nine thousand three hundred eighty-four dollars

187 of the sum appropriated pursuant to subsection (a) shall be allocated to
 188 the Judicial Department; (5) nine million one hundred seventy-one
 189 thousand two hundred sixty-five dollars of the sum appropriated
 190 pursuant to said subsection (a) shall be allocated to the Department of
 191 Social Services; (6) three million four hundred ninety-one thousand
 192 seventy-one dollars of the sum appropriated pursuant to said
 193 subsection (a) shall be allocated to the Department of Correction; (7)
 194 three million eighty-six thousand two hundred ninety-seven dollars of
 195 the sum appropriated pursuant to said subsection (a) shall be allocated
 196 to the Department of Public Health; and one million four hundred five
 197 thousand three hundred seventy dollars of the sum appropriated
 198 pursuant to said subsection (a) shall be allocated to the Children's
 199 Trust Fund.

200 (c) Amounts allocated to agencies pursuant to subsection (b) of this
 201 section shall be used for the purposes of section 1 of this act. Such
 202 funds shall be allocated to community providers under purchase of
 203 service contracts in proportion to the contractual amounts of such
 204 contracts.

205 Sec. 5. (*Effective July 1, 2008*) The sum of two hundred thousand
 206 dollars is appropriated to the Department of Developmental Services,
 207 from the General Fund, for the fiscal year ending June 30, 2009, for the
 208 purpose of providing funds for the activities of the community-based
 209 services commission.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2008</i>	New section
Sec. 4	<i>July 1, 2008</i>	New section
Sec. 5	<i>July 1, 2008</i>	New section

HS**Joint Favorable Subst. C/R****APP**

